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# SENATE BILL No. 638

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-6.

**Synopsis:** Merger of townships. Allows township governments to merge upon adoption of identical resolutions by the township boards and an ordinance by the county legislative body. Allows merged township governments to dissolve the merged government and be reestablished as separate governments upon adoption of an ordinance by the county legislative body.

**Effective:** July 1, 2005.

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January 24, 2005, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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# SENATE BILL No. 638



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 36-6-1.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2005]:  
4 **Chapter 1.5. Merger of Township Governments**  
5 **Sec. 1. As used in this chapter, "former township government"**  
6 **means a township government that merges with at least one (1)**  
7 **other township government under this chapter.**  
8 **Sec. 2. As used in this chapter, "new township government"**  
9 **means the township government that results from the merger of at**  
10 **least two (2) township governments under this chapter.**  
11 **Sec. 3. (a) At least two (2) township governments may merge to**  
12 **form one (1) township government under this chapter, if:**  
13 **(1) the township governments are entirely located within the**  
14 **same county;**  
15 **(2) all the territory within the township governments is**  
16 **subject to the merger; and**  
17 **(3) each township whose government is subject to the merger**



1 is contiguous to at least one (1) other township whose  
 2 government is subject to the merger.

3 Sec. 4. (a) A majority of the members of the township legislative  
 4 body of each township that wants to merge township governments  
 5 under this chapter must adopt identical resolutions approving the  
 6 township government merger. The townships shall submit the  
 7 resolutions to the county legislative body of the county within  
 8 which the townships are located.

9 (b) The county legislative body of the county where the township  
 10 governments are located must:

11 (1) adopt an ordinance ordering the merger; and  
 12 (2) file a copy of the ordinance with:

13 (A) the circuit court clerk; and  
 14 (B) the office of the secretary of state.

15 (c) The county legislative body may not adopt an ordinance  
 16 ordering a merger after January 1 of a year in which:

17 (1) a general election is held; and  
 18 (2) a township trustee is elected.

19 (d) The county legislative body may not adopt an ordinance  
 20 merging township governments less than one (1) year before the  
 21 merger becomes effective.

22 (e) A merger under this chapter may not reduce the term of a  
 23 township trustee of a former township government.

24 Sec. 5. The merger becomes effective when the officers of the  
 25 new township government are elected and qualified.

26 Sec. 6. If township governments merge under this chapter:

27 (1) IC 36-6-6 applies to the election of the township board;  
 28 and  
 29 (2) IC 36-6-5-1 applies to the election of a township assessor;  
 30 of the new township government.

31 Sec. 7. On the date a merger takes effect:

32 (1) the former township governments are abolished as  
 33 separate entities;  
 34 (2) each township subject to the merger retains its  
 35 geographical boundaries and its name;  
 36 (3) the territory of the new township government includes all  
 37 the territory that comprised the territories of the former  
 38 township governments before the merger;  
 39 (4) the agencies of the former township governments are  
 40 abolished;  
 41 (5) the functions of the abolished agencies are assigned to  
 42 agencies of the new township government;

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- 1           **(6) the:**
- 2           **(A) property;**
- 3           **(B) records;**
- 4           **(C) personnel;**
- 5           **(D) rights; and**
- 6           **(E) liabilities;**
- 7           **related to the functions of the abolished agencies are assigned**
- 8           **to agencies of the new township government; and**
- 9           **(7) any bonds and other indebtedness of, or assumed by, the**
- 10           **former township governments are transferred to the new**
- 11           **township government.**

12           **Sec. 8. Upon the corporate dissolution of a township government**  
 13           **under this article, the following apply for purposes of all state and**  
 14           **federal licensing and regulatory laws, statutory entitlements, gifts,**  
 15           **grants-in-aid, governmental loans, or other governmental**  
 16           **assistance under state or federal statutes, rules, or regulations:**

17           **(1) The entire geographic area and population of a new**  
 18           **township government that is established under this chapter**  
 19           **shall be used when calculating and determining the**  
 20           **distribution basis for the following:**

- 21           **(A) State or federal government statutory entitlements.**
- 22           **(B) Gifts.**
- 23           **(C) Grants-in-aid.**
- 24           **(D) Loans.**
- 25           **(E) Any form of governmental assistance that is not listed**  
 26           **in this subdivision.**

27           **(2) Following a public hearing for which notice is published in**  
 28           **accordance with IC 5-3-1 at least thirty (30) days before the**  
 29           **public hearing takes place, the executive of a new township**  
 30           **government that is established under this chapter shall**  
 31           **determine and designate to the appropriate state or federal**  
 32           **agency the:**

- 33           **(A) geographic areas;**
- 34           **(B) parts of roads;**
- 35           **(C) segments of population; or**
- 36           **(D) combinations of the items listed in clauses (A) through**  
 37           **(C);**

38           **that constitute rural or urban areas, roads, or populations, if**  
 39           **this designation was previously required of any township that**  
 40           **merges under this chapter.**

41           **Sec. 9. When a new township government is established under**  
 42           **this chapter, the following occur:**

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**(1) The resolutions, rules, and bylaws of each of the former township governments:**

**(A) remain in force within the territory to which they applied before the merger; and**

**(B) continue in force until amended or repealed by the legislative body or an administrative body of the new township government.**

**(2) Pending actions that involve any former township government shall be prosecuted to final judgment and execution, and judgments rendered in those actions may be executed and enforced against the new township government without any change of the name of the plaintiff or defendant.**

**Sec. 10. (a) On the date the formation of a new township government takes effect, all money in the funds of each of the former township governments is transferred to the new township government. The new township government:**

**(1) shall deposit the money in its funds that most closely correspond to the funds of the former township governments; and**

**(2) may use the money to pay its operational and capital costs for the balance of the calendar year.**

**(b) After the date the formation of a new township government takes effect, the new township government is entitled to receive all distributions of taxes and other revenue that would have been made to the former township governments if the merger had not occurred. The new township government shall deposit the money in its funds that correspond most closely to the funds of the former township governments into which the taxes or other revenue would have been deposited if the merger had not occurred.**

**Sec. 11. The officers of the new township government shall:**

**(1) obtain from the department of local government finance approval under IC 6-1.1-18.5-7 of:**

- (A) a budget;**
- (B) an ad valorem property tax levy; and**
- (C) a property tax rate;**

**(2) fix the annual budget under IC 6-1.1-17;**

**(3) impose a property tax levy; and**

**(4) take any action necessary to ensure the collection of fees and other revenue;**

**for the new township government for the budget year following the year the officers take office.**

**SECTION 2. IC 36-6-1.6 IS ADDED TO THE INDIANA CODE**

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1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2005]:

3 **Chapter 1.6. Dissolution of a Township Government Merger**  
4 **Sec. 1. As used in this chapter, "merged township government"**  
5 **means the township government that results from the merger of at**  
6 **least two (2) township governments under IC 36-6-1.5.**

7 **Sec. 2. As used in this chapter, "reestablished township**  
8 **government" means a township government that:**

- 9 (1) merged with at least one (1) other township government
- 10 under IC 36-6-1.5; and
- 11 (2) is reestablished as a separate township government under
- 12 this chapter.

13 **Sec. 3. (a) A county legislative body may adopt an ordinance**  
14 **that:**

- 15 (1) dissolves a merger of township governments that took
- 16 effect under IC 36-6-1.5; and
- 17 (2) reestablishes the township governments that were subject
- 18 to the merger.

19 **(b) The county legislative body must file a copy of the ordinance**  
20 **with:**

- 21 (1) the circuit court clerk; and
- 22 (2) the secretary of state.

23 **Sec. 4. (a) A county legislative body may not adopt an ordinance**  
24 **ordering a dissolution under section 3 of this chapter after January**  
25 **1 of a year in which:**

- 26 (1) a general election is held; and
- 27 (2) a township trustee is elected.

28 **(b) The county legislative body may not adopt an ordinance**  
29 **ordering a dissolution under section 3 of this chapter less than one**  
30 **(1) year before the dissolution takes effect.**

31 **(c) A dissolution under this chapter may reduce the term of the**  
32 **township trustee of the merged township government.**

33 **Sec. 5. A dissolution under an ordinance adopted under section**  
34 **3 of this chapter becomes effective when the officers of the**  
35 **reestablished township governments are elected and qualified as**  
36 **set forth in IC 36-6.**

37 **Sec. 6. (a) On the date on which a dissolution under an**  
38 **ordinance adopted under section 3 of this chapter takes effect:**

- 39 (1) the reestablished township governments are established as
- 40 separate entities;
- 41 (2) the territory of the reestablished township government is
- 42 the same as the territory that comprised the reestablished

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1 township government before the merger;  
 2 (3) the agencies of the merged township government are  
 3 abolished and the agencies of the reestablished township  
 4 governments are established;  
 5 (4) the functions of the abolished agencies are assigned to  
 6 agencies of each reestablished township government;  
 7 (5) the:  
 8 (A) property;  
 9 (B) records;  
 10 (C) personnel;  
 11 (D) rights; and  
 12 (E) liabilities;  
 13 related to the functions of the abolished agencies are assigned  
 14 to agencies of the reestablished township governments; and  
 15 (6) any bonds and other indebtedness of, or assumed by, the  
 16 merged township government is the indebtedness of the  
 17 reestablished township governments.  
 18 (b) The county legislative body shall determine the distribution  
 19 of property, records, and personnel to the reestablished township  
 20 governments under subsection (a)(5).  
 21 Sec. 8. Upon the corporate dissolution of a merged township  
 22 government under this article, the following apply for purposes of  
 23 all state and federal licensing and regulatory laws, statutory  
 24 entitlements, gifts, grants-in-aid, governmental loans, or other  
 25 governmental assistance under state or federal statutes, rules, or  
 26 regulations:  
 27 (1) The entire geographic area and population of a  
 28 reestablished township government created under this  
 29 chapter shall be used when calculating and determining the  
 30 distribution basis for the following:  
 31 (A) State or federal government statutory entitlements.  
 32 (B) Gifts.  
 33 (C) Grants-in-aid.  
 34 (D) Loans.  
 35 (E) Any form of governmental assistance that is not listed  
 36 in this subdivision.  
 37 (2) Following a public hearing for which notice is published in  
 38 accordance with IC 5-3-1 at least thirty (30) days before the  
 39 public hearing takes place, the executive of each reestablished  
 40 township government that is created under this chapter shall  
 41 determine and designate to the appropriate state or federal  
 42 agency the:

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- 1 (A) geographic areas;
- 2 (B) parts of roads;
- 3 (C) segments of population; or
- 4 (D) combinations of the items listed in clauses (A) through
- 5 (C);
- 6 that constitute rural or urban areas, roads, or populations, if
- 7 this designation was previously required of the merged
- 8 township government.

9 **Sec. 9. When a reestablished township government is created**  
 10 **under this chapter, the following occur:**

- 11 (1) The resolutions, rules, and bylaws of the merged township
- 12 government:
- 13 (A) remain in force in the reestablished township
- 14 governments; and
- 15 (B) continue in force until amended or repealed by the
- 16 legislative body or an administrative body of the
- 17 reestablished township government.
- 18 (2) Pending actions that involve the merged township
- 19 government shall be prosecuted to final judgment and
- 20 execution, and judgments rendered in those actions may be
- 21 executed and enforced against the reestablished township
- 22 governments without any change of the name of the plaintiff
- 23 or defendant.

24 **Sec. 10. (a) On the date on which the formation of a**  
 25 **reestablished township government takes effect under this chapter,**  
 26 **all money in the funds of the merged township government is**  
 27 **transferred to the reestablished township governments. The county**  
 28 **legislative body shall determine the allocation of the funds to the**  
 29 **reestablished township governments. The reestablished township**  
 30 **governments:**

- 31 (1) shall deposit the money in the funds that most closely
- 32 correspond to the funds of the merged township government;
- 33 and
- 34 (2) may use the money to pay operational and capital costs for
- 35 the balance of the calendar year.

36 (b) After the date on which the formation of a reestablished  
 37 township government takes effect under this chapter, the  
 38 reestablished township government is entitled to receive all  
 39 distributions of taxes and other revenue that would have been  
 40 made to the new township government if the merger had not  
 41 occurred. The allocation of the distributions to the reestablished  
 42 township governments shall be determined by the county

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1 legislative body. A reestablished township government shall deposit  
2 the money in its funds that correspond most closely to the funds of  
3 the merged township government into which the taxes or other  
4 revenue would have been deposited if the dissolution had not  
5 occurred.

6 Sec. 11. The officers of a new reestablished township  
7 government shall:

8 (1) obtain from the department of local government finance  
9 approval under IC 6-1.1-18.5-7 of:

- 10 (A) a budget;
- 11 (B) an ad valorem property tax levy; and
- 12 (C) a property tax rate;

13 (2) fix the annual budget under IC 6-1.1-17;

14 (3) impose a property tax levy; and

15 (4) take any action necessary to ensure the collection of fees  
16 and other revenue;

17 for the new township government for the budget year following the  
18 year the officers take office.

19 SECTION 3. IC 36-6-5-1 IS AMENDED TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A township assessor shall be  
21 elected under IC 3-10-2-13 by the voters of each township having:

- 22 (1) a population of more than eight thousand (8,000); or
- 23 (2) an elected township assessor or the authority to elect a  
24 township assessor before January 1, 1979.

25 (b) A township assessor shall be elected under IC 3-10-2-14 in each  
26 township having a population of more than five thousand (5,000) but  
27 not more than eight thousand (8,000), if the legislative body of the  
28 township:

- 29 (1) by resolution, declares that the office of township assessor is  
30 necessary; and
- 31 (2) the resolution is filed with the county election board not later  
32 than the first date that a declaration of candidacy may be filed  
33 under IC 3-8-2.

34 (c) A township government that is created by merger under  
35 IC 36-6-1.5 shall elect only one (1) township assessor under this  
36 section.

37 ~~(c)~~ (d) The township assessor must reside within the township as  
38 provided in Article 6, Section 6 of the Constitution of the State of  
39 Indiana. The assessor forfeits office if the assessor ceases to be a  
40 resident of the township or fails to comply with the requirements of  
41 IC 6-1.1-35-1.1.

42 ~~(d)~~ (e) The term of office of a township assessor is four (4) years,

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1 beginning January 1 after election and continuing until a successor is  
 2 elected and qualified. However, the term of office of a township  
 3 assessor elected at a general election in which no other township  
 4 officer is elected ends on December 31 after the next election in which  
 5 any other township officer is elected.

6 SECTION 4. IC 36-6-6-2 IS AMENDED TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) Except as provided in  
 8 subsection (b) **and section 2.1 of this chapter**, a three (3) member  
 9 township board shall be elected under IC 3-10-2-13 by the voters of  
 10 each township.

11 (b) The township board in a county containing a consolidated city  
 12 shall consist of seven (7) members elected under IC 3-10-2-13 by the  
 13 voters of each township.

14 (c) The township board is the township legislative body.

15 (d) The term of office of a township board member is four (4) years,  
 16 beginning January 1 after election and continuing until a successor is  
 17 elected and qualified.

18 SECTION 5. IC 36-6-6-2.1 IS ADDED TO THE INDIANA CODE  
 19 AS NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 20 1, 2005]: **Sec. 2.1. (a) This section applies if township governments  
 21 merge under IC 36-6-1.5.**

22 **(b) If two (2) township governments merge, the resulting  
 23 merged township government shall elect a three (3) member  
 24 township board. The voters of the resulting merged township  
 25 government shall elect all the members of the township board. One  
 26 (1) member must reside within the boundaries of each of the  
 27 township governments that merged.**

28 **(c) If at least three (3) township governments merge, the  
 29 resulting merged township government shall elect a township  
 30 board that has the same number of members as the number of  
 31 township governments that merged. The voters of the resulting  
 32 merged township shall elect all the members of the township board.  
 33 One (1) township board member must reside within the boundaries  
 34 of each of the townships that merged.**

35 SECTION 6. IC 36-6-6-3 IS AMENDED TO READ AS FOLLOWS  
 36 [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) This subsection applies to  
 37 townships in a county containing a consolidated city. One (1) member  
 38 of the legislative body must reside within each legislative body district.  
 39 If a member of the legislative body ceases to be a resident of the district  
 40 from which the member was elected, the office becomes vacant.

41 (b) This subsection applies to townships not included in subsection  
 42 (a) **or (c)**. A member of the legislative body must reside within the

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1 township as provided in Article 6, Section 6 of the Constitution of the  
2 State of Indiana. If a member of the legislative body ceases to be a  
3 resident of the township, the office becomes vacant.

4 **(c) This subsection applies to a township government that:**

5 **(1) is created by a merger of township governments under**  
6 **IC 36-6-1.5; and**

7 **(2) elects a township board under section 2.1 of this chapter.**

8 **One (1) member of the legislative body must reside within the**  
9 **boundaries of each of the former townships that merged. If a**  
10 **member of the legislative body ceases to be a resident of that**  
11 **former township, the office becomes vacant.**

12 SECTION 7. IC 36-6-6-4 IS AMENDED TO READ AS FOLLOWS  
13 [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Except as provided in  
14 ~~subsection~~ **subsections (b) and (c)**, two (2) members of the legislative  
15 body constitute a quorum.

16 (b) Four (4) members of the legislative body in a county containing  
17 a consolidated city constitute a quorum.

18 **(c) This subsection applies to a township government that:**

19 **(1) is created by a merger of township governments under**  
20 **IC 36-6-1.5; and**

21 **(2) elects a township board under section 2.1 of this chapter.**

22 **A majority of the members of the legislative body constitute a**  
23 **quorum. If a township board has an even number of members, the**  
24 **township executive shall serve as an ex officio member of the**  
25 **township board for the purpose of casting the deciding vote to**  
26 **break a tie.**

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